"In the end, how your investments behave is much less important than how you behave."

Stanton & Castleton, Inc.

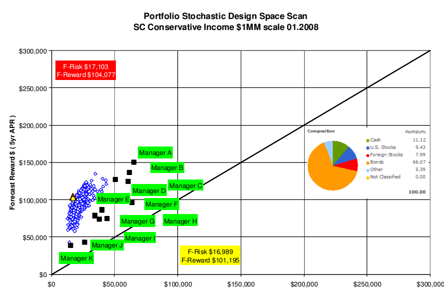
An independent firm

Let's Review: Our Monthly Newsletter……………01/01/2010

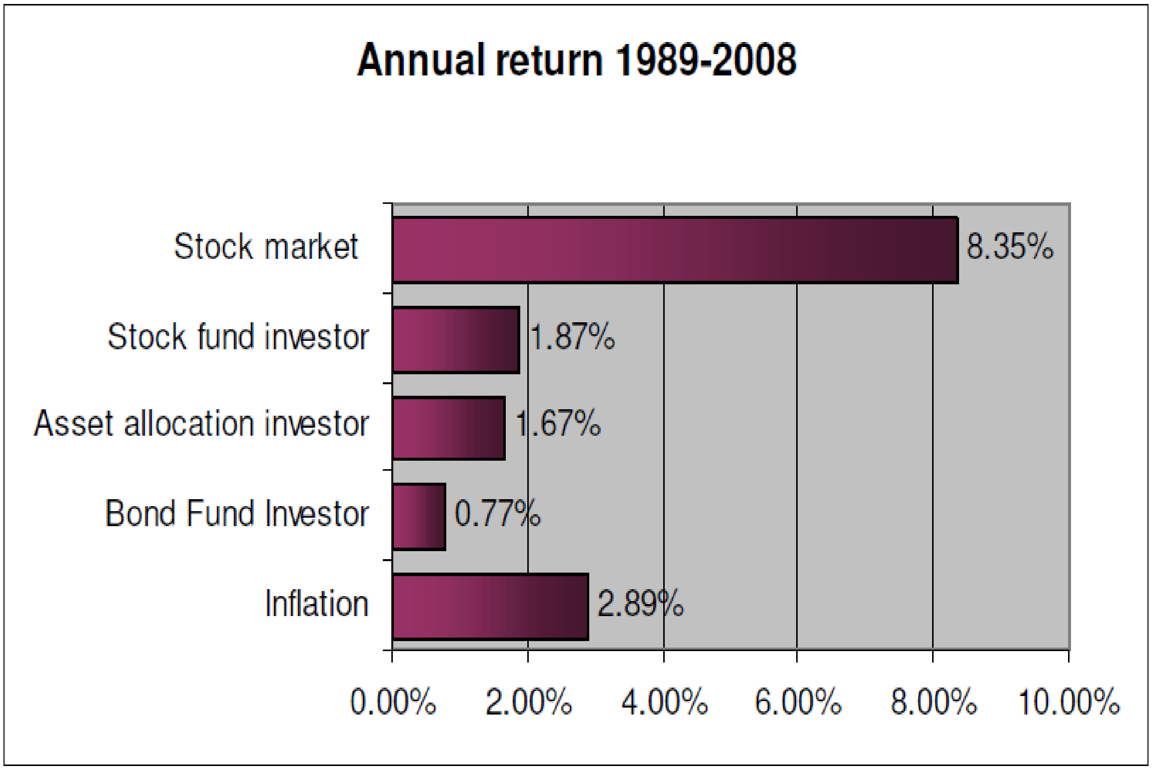
This Month:

We are recommending to all our clients to REBALANCE their portfolios in the first quarter 2010. As you know under normal market conditions we rebalance in the first quarter of the New Year.

You are also aware we use our proprietary software to do portfolio analysis (PSDS: Portfolio Stochastic Design Scan) to assist us in the design and risk assessment of investment portfolios. We run PSDS scans on portfolios every month with updated information on over 21,000 investment managers. We use this data to run numerous 1 million trial simulations on each portfolio scan.



The rebalance will also help us to realign each portfolio into what we believe is the "optimum" asset allocation going forward so we are better positioned to participate in the markets appreciation while also managing portfolio risk. We have spent much of the last month analyzing the managers and working out the details for each portfolio rebalances. It is now time to implement the changes as the New Year begins. We must step aside and manage our emotions and rely on the skills employed by asset managers. Dalbar Inc.'s Quantitative Analysis of Investment Behavior (QAIB) has been measuring the effects of investor decisions in buying selling and switching into and out of investment managers in the Untied States. The following chart draws on this data for the period 1989-2008.



(Source Dalbar Quantitative Analysis of Investment Behavior QAIB, 20 year period 1989 – 2008)

We will not be making wholesale changes to the portfolios. Our work has convinced us that each manager we use has the tools and process in place to participate fully in any market appreciation, while continuing to manage risk. We will discuss with you adding a few new managers and in the rebalancing reducing some others to achieve our optimum allocation. The recent past only reinforced the importance of risk management through diversification, asset allocation and periodic tactical moves.

Amy will be contacting most of you in the coming weeks to arrange for your annual review, we would prefer a meeting in our office, however phone appointment will work to accommodate all on a timely basis.

Bob:

Wow another year has raced by! I had the shock of shocks when my new drivers license came in the mail with an updated picture….I think of myself as the younger guy with dark hair and chiseled features (no laughing)….well apparently everyone else knows me as the round faced old guy with grey hair! One of you could have said something….I may have a midlife crisis; lose some weight and dye my hair…any thoughts?

Ron:

The Holiday's past, we are now settling into the New Year. Adam & Sean are back at school (my favorite part!) & Ari is getting his schedule back to normal. (No more all night Code of Duty marathons!) Uncharacteristically, I had all the Holiday XXXX, cleaned and put away by New Years so we are set and ready to embrace the decade! We are currently focused on the NFL Playoffs where our favorite team, The San Diego Chargers is vying for a chance to win it all. Hope to see you all in Miami at this year's Super Bowl!

Amy:

These were my first Holidays without snow!! I definitely didn't miss the below zero Wisconsin weather or digging myself out of a snow bank! My boyfriend Ryan and I spent Christmas day watching the Cavs beat the Lakers courtside, I played paparazzi rather than paying attention to the game that was going on. Here's to a great 2010 and wish all of you the same!

This month "Financial Topic": One more cartoon!

"Be 'creative'? I'm an accountant, not a novelist."

"In the end, how your investments behave is much less important than how you behave."

Benjamin Graham
The Intelligent Investor

"In the end, how your investments behave is much less important than how you behave."

The Numbers:

Closing Values / 12-31-2009

DOLLAR	stronger	**NASDAQ**	2,269.49	+124.89
10-YR YIELD	3.84%	**S&P 500**	1,115.26	+19.63
VOLUME NYSE	679,920,340	**DJIA**	10,522.36	+177.52

Provided by Standard & Poor's

(Referral Hotline: 877-975-0955)

M^3

Manage……..Monitor……..Maintain

If you would like to read past issues of our newsletter just click this link:

www.stantoncastleton.com

Additional Chart Disclosures

- The fact that buy-and-hold has been a successful strategy in the past does not guarantee that it will continue to be successful in the future.

- The average (equity and fixed income) investor refers to the universe of all (equity or fixed income) mutual fund investors whose actions and financial results are restated to represent a single investor. Average (equity and fixed) investor returns are represented by a change in assets, excluding sales charges, redemptions and exchanges.

- This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses and any other costs.

- Equity performance is represented by the Standard & Poor's 500 Composite Index (an unmanaged index of 500 widely held stocks). Fixed Income performance is represented by the Lehman Brothers Aggregate Bond Index (an index which measures changes in the fixed rate debt issues rated investment grade or higher. The aggregate index is comprised of the government/corporate, the mortgage-backed securities and the asset-backed securities indices).

- Inflation rate represents the monthly value of the consumer price index and is converted to a monthly rate. The monthly rates are used to compound a "return" for the period under consideration.

- An investor cannot invest directly in an index. Index returns do not reflect the deduction of fees, trading costs or other expenses.